The Law Society of Manitoba

Annual Report

1989

90-03584/

The Law Society of Manitoba

Annual Report of the Benchers

This report covers the practising year April 1st, 1988 to March 31st, 1989

To the Members of the Law Society

Benchers elected for a Two Year Term on May 4th, 1988

Eastern Judicial District: D.N. Abra, N.A. Cuddy, R.A. Dewar, C.M. Fien, J. Gindin, C.M. Hall, Q.C., B.M. Hamilton, Q.C., D. G. Hill (1), B.D. Klein, C.R. MacArthur, A. MacInnes, Q.C., D.C.H. McCaffrey, Q.C., B.H. Miller, B.A. Pauls, J.C. Prober (2), J.M. Scurfield, R.G.S. Shead, J.F.R. Taylor, Q.C., D.G. Ward, H. Weinstein, Q.C., G.M. Wood
(1) resigned as Bencher May 26th, 1988
(2) appointed to fill vacancy of D.G. Hill

Central Judicial District: G.R. Gilmour, B.G. Lee, Q.C.

Dauphin Judicial District: E.B. Irwin, J.A. Menzies

Western Judicial District: G.N. Bass, Q.C., D. Campbell, Q.C., J.H. Combs, D.M. Little, N.H. Sims

Northern Judicial District: D.R. Knight, L.M. Mirwaldt

Lay Benchers Appointed for a Two Year Term: Anita Neville, William Shead, James Toal, Val Werier

Faculty Benchers: Dean Trevor Anderson, Q.C. and Professor D. Deutscher appointed for a two year term.

University Bencher: Donna Unruh for a one year term ending May, 1989.

Student Bencher: Ross Antymniuk elected for a one year term ending September, 1989.

LIFE BENCHERS

Eastern Judicial District: Judge F.D. Allen, R. Anderson, D.G. Baizley, Q.C., G.G. Brodsky, Q.C., H. Buchwald, Q.C., A.L. Campbell, Q.C., J.M. Chapman, Q.C., J.G.B. Dangerfield, Q.C., Hon. R.G.B. Dickson, I. Dorfman, Q.C., K.B. Foster, Q.C., D.G. Frayer, Q.C., M.H. Freedman, Q.C., Hon. G.R. Goodman, J.P. Guy, Q.C., G.T. Haig, Q.C., H.B. Monk, Q.C., Hon. P.S. Morse, E.W. Olson, Q.C., C. Pappas, A.A. Rich, Q.C., P.W. Schulman, Q.C., Hon. R.J. Scott, Hon. V. Simonsen, C.P. Sing, A. Sweatman, Q.C., D.A. Thompson, Q.C., H. Walsh, Q.C.

Central Judicial District: J.A. Duncan, Q.C.

Western Judicial District: F.O. Meighen, Q.C., D.D. St. John, Q.C.

EX-OFFICIO BENCHERS

Hon. Douglas G. Lewis and Hon. James McCrae

OFFICERS
(Appointed May, 1988)

President: A. MacInnes, Q.C.
Vice-President: J. Scurfield
Past President: J.M. Chapman, Q.C.

STAFF

Graeme Garson, Q.C., Chief Executive Officer (resigned June 30, 1988)
Deborah J. McCawley, Q.C., Chief Executive Officer
Don Macri, Deputy Chief Executive Officer (from Oct. 3, 1988)
Judith Webster, Counsel
Dianna Scarth, Staff Solicitor
Coleen Liewicki, Administrative Assistant
Gordon Jones, Auditor-Inspector
John McFarlane, Assistant Auditor-Inspector
Ryan Sasaki, Comptroller
Gordon Bradley, Special Investigator
Grace Page, Paralegal (from Dec. 19, 1988)
Rebecca de Castro, Secretary
Ellie Turner, Secretary
Patricia Wright, Secretary
Jennifer Horta, Secretary
Hazel McKague, Secretary
Elizabeth Horne, Secretary (resigned August 26, 1988)
Pat Stepanuik, Secretary
Lorraine Hagen, Receptionist (from Nov. 21, 1988)

LEGAL STUDIES

Morley Gorsky, Director
Margaret Anne MacLeod, Assistant Director
Lori Ferguson-Sain, Lawyer/Editor (from July 1, 1988)
Anna Faulkes, Program Coordinator and Registrar/Secretary

LEGAL SERVICES INFORMATION AND LAWYER REFERRAL SERVICES

Mary Troszko, Supervisor

I. Membership

Sixteen Hundred and fifteen (1,615) certificates were issued for the practising year ending March 31, 1989.

The active membership of the Society as of March 31, 1989, stood as follows:

In Metropolitan Winnipeg, practising members	1,344
In Manitoba, other than Metropolitan Winnipeg	208
Outside Manitoba, members holding practising certificates	57
	1,609

Members paying the special non-practising fee:

In Metropolitan Winnipeg	82
In Manitoba, other than Metropolitan Winnipeg	17
Outside Manitoba	178
	277

The number of practising members in Manitoba as of 31st of December in 1932 was 603. The figures for the other years are as follows:

1950 - 551	1973 - 795	1981 - 1,252
1955 - 636	1974 - 837	1982 - 1,282
1965 - 683	1975 - 910	1983 - 1,304
1966 - 702	1976 - 967	1984 - 1,336
1968 - 704	1977 - 1,105	1985 - 1,387
1970 - 723	1978 - 1,083	1986 - 1,483
1971 - 746	1979 - 1,169	1987 - 1,526
1972 - 776	1980 - 1,213	1988 - 1,548

and as of March 31, 1989 - 1,609.

In addition to the members paying annual fees there are many who are not in active practice whose names remain on the Rolls. Some hold judicial appointments or official positions, some are in other professions or businesses, many are practising in other Provinces and others are retired.

The following members were called to the Bar and admitted as Solicitors during the period under review:

Denis Anthony Asseiro, Keith Thomas Addison, Stephen Douglas Aftanas, Glen William Agar, Eleanor Louise Andres, Elia Charles Arraf, Jana Barak, Karen Ann Beauchamp, Edward Joseph Benjamin, Ewald Bergen, Candace Lenore Bishoff, Brenda Susan Bourbonnais, Sondra Louise Braid, Robert David Brazzell, Wayne Douglas Brewer, Sandra Lee Broudy, Douglas Rodney Brown, Leandre Gilles Buisse, Svjatoslav Taras Ciaputa, Gary Brent Cooper, Arthur John Courtney, Elizabeth Jane Dennis, Harold James Dick, Gerald Ernest Doak, Robert Michael Dowhan, Jill Kathryn Duncan, Rhonda Margaret Dunwoody, Blair John Filyk, Jerold Brian Flexer, Patricia Louise Fraser, Johann Raymond Gallagher, Brian Paul Gertenstein, Roger David Gripp, Arpita Gupta, Raymond Dale Hall, Lowell Mark Harvey, Gregory Blair Hawrysh, Donald Michael Hewak, Romana Franziska Hur, Frederick Alexander Jackson, Douglas Emlyn Jones, Joseph Guy René Joubert, Brenda Dawn Kaminski, Therese Marie Koturbash, Darcia Ann Colleen Kohuch, Otto Lang, P.C., Q.C.,*, Rhys William Langen-Jones*, Melanie Logan Lautt, Francine Wilfrieda Germaine Esther Lee-Matthys, John Levine (Cunningham), David Lorne Lewis, Gordon Henry Alexander

Mackintosh, Deana Lynne Martz, Douglas Albert Mayer, Kimberley Dawn Smith Maynard, Heather Mary McLaren, Peter James Merkeley, Kim Jennifer Moroz, Bradley Gerard Morrison, Jeffrey Dollard Nichols, Daniel Paul Orlikow, Neil Anthony Paulson, Judith Rose Ann Payne, Marie Beatrice Lorraine Prefontaine, Katrina Annette Prystupa, Kevin Brent Pshebniski, Herbert Hermann Rempel, Leanne Frances Rutley, John Andrew Skinner, Judith Anne Slagerman, Anita Louise Marie Southall, Mary Ann Thompson Stanchell, John David Stefaniuk, Kent Alexander Strang, Thomas Richard Strutt*, Colleen Joan Sym, George Tacik, Donna Margaret Thompson, Lesley Carol Tough, William Thornton Tweed, David George Vincent, Robert Odell Warner, Barbara Lynne Yapps.

* denotes transfer

The following were granted permission by the Executive and Finance Committee to appear before the Courts in Manitoba on an occasional appearance:

Peter Vincent Abrametz, Kenneth Franklin Bailey, Joseph Edmond Michel Bastarache, William Ian Corneil Binnie, Q.C., Robert Charles Brun, Robert James Buchan, John Michael Burns, Marek John Freiman, Mark Avrom Gottlieb, Alan Dale Hunter, Alan Webster Macdonald, Sr., Robert William McMechan, Stephen Richard Schachter, Gregory Kenneth Steele, Lawrence George Theall, Jeffrey Nelson Thom.

The Benchers record with regret the death of the following members during the period under review:

Richard Spink Bowles, Q.C., Stanley Edwin Braun, George Augustus Brown, Wilfred Juravsky, Marjorie Maxwell Wallace Kimmel, Bernard Kushner, William Austin Molloy, Boris Musick, The Hon. Israel Nitikman, Jean Alfred Charland Prud'homme, Q.C., Robert Isaac Soronow, Q.C., The Hon. James Edward Wilson, Max Wolinsky, Q.C.

During the year under review the following Barristers were appointed Queen's Counsel:

George Nicholas Bass, Charles Thomas Birt, Morrison Deryle Butcher, George Edward Chapman, Eleanor Ruth Dawson, Cheryl Marlene Hall, Barbara Mary Hamilton, Brock Glover Lee, Deborah Joan McCawley, Alexandra Morton, George Joseph Orle, Charles Jerome Phelan, Patricia Grace Ritchie, Richard Whidden, Glen Taylor Williams.

Appointed Queen's Counsel by the Federal Minister of Justice:

Keith Heming.

II. Society's Committees and Memberships

At its meeting of May 26, 1988, the Benchers established the following Committee memberships to serve the Society until May, 1989

NOTE: The President and Vice-President are ex-officio members of all Committees except the Judicial Committee.

EXECUTIVE AND FINANCE COMMITTEE:

MacInnes (Chairperson)	Klein
Scurfield (Vice-Chairperson)	Little
Anderson, T.	MacArthur
Bass	Menzies

Chapman
Cuddy
Deutscher
Dewar
Hall
Shead, R.
Taylor
Toal
Weinstein
Wood

DISCIPLINE:

Hall (Co-Chairperson)
MacArthur (Co-Chairperson)
MacInnes
Scurfield
Combs
Cuddy
Deutscher
Irwin
Klein
Little
Miller
Neville
Toal
Wood

STANDARDS:

Dewar (Chairperson)
Hamilton (Vice-Chairperson)
MacInnes
Scurfield
Anderson, J.*
Anderson, T.
Bass
Clearwater*
Donald*
Fien
Gilmour
Gindin
Hilder*
Liffman*
Lucas*
McCaffrey
Morton*
Pauls
Prober
Saper*
Weinstein
Werier
Wilder*

JUDICIAL:

Taylor (Chairperson)
Sims (Vice-Chairperson)
Abra
Anderson, R.
Baizley
Brodsky
Buchwald
Campbell, A.
Campbell, D.
Chapman
Dangerfield
Duncan
Foster
Frayer
Guy
Haig
Knight
Lee
Menzies
Olson
Rich
St. John
Schulman
Shead, W.
Sing
Sweatman
Ward

ADMISSIONS AND EDUCATION:

Wood (Chairperson)
Bass (Vice-Chairperson)
MacInnes
Scurfield
Anderson, T.
Antymniuk
Fien
Gilmour
Gindin
Hamilton
McCaffrey
Miller
Mirwaldt
Shead, W.
Unruh
Werier

ETHICS AND PROFESSIONAL RESPONSIBILITY:

Deutscher (Chairperson)
Knight (Vice-Chairperson)
MacInnes
Scurfield
Combs
Hamilton
Jensen*
Klein
Langtry*
Lee
McCaffrey
Mirwaldt
Munro*
Neville
Sardiwalla*
Ward
Werier

PERSONNEL AND FISCAL MANAGEMENT:

Weinstein (Chairperson)
Klein (Vice-Chairperson)
MacInnes
Scurfield
Combs
Miller
Neville
Shead, R.
Sims

PROFESSIONAL LIABILITY CLAIMS FUND:

Shead, R. (Chairperson)
Dewar (Vice-Chairperson)
MacInnes
Scurfield
Abra
Fien
Hill*
MacArthur

LIBRARY USERS COMMITTEE:

Scurfield
Little

CONSTITUTION:

MacArthur (Chairperson)
Gilmour (Vice-Chairperson)
MacInnes
Scurfield
Abra
Adams*
Chapman
Cuddy
Dangerfield
Graham*
Hall
Irwin
Lee
Monnin*
Pauls
Prober
Sheldon*
Smith*
Toal

PUBLIC RELATIONS:

Cuddy (Chairperson)
McCaffrey (Vice-Chairperson)
Campbell
Gorlick*
Pauls
Shead, W.
Ward

COMMUNITY LEGAL EDUCATION ASSOCIATION BOARD:

Taylor (Chairperson)
Toal
Ward

LEGAL AID LIAISON:

Menzies (Chairperson)
Sims (Vice-Chairperson)
Gindin

MANITOBA LAW SCHOOL FOUNDATION:

Shead, R. (Chairperson)
McCawley (Secretary/Treasurer)

Macmillan*
Anderson, T.
Chapman

Pollack*
Harvey*

DATABASE:

Bass (Chairperson)
Coke*
Gillespie*
Guertin*

Prober
Rodrigue*
Shead, R.

LEGAL DATA RESOURCES (MANITOBA) CORPORATION BOARD:

Bass (President)
Cherniack*
Coke*

Gillespie*
Shead, R.

In addition to the above-mentioned committees, the following committees were constituted by the Society throughout the year.

SPECIAL COMMITTEE ON THE INTEGRATION OF THE FRENCH LANGUAGE

Anderson, T. (Chairperson)
Freedman*

Hall
Little

SPECIAL COMMITTEE ON PARALEGALS AND UNAUTHORIZED PRACTICE OF LAW

Simonsen, Justice (Chairperson)

SPECIAL COMMITTEE TO REVIEW CBA CODE OF PROFESSIONAL CONDUCT

Foster (Chairperson)
Deutscher
Langtry*

Lee
Werier

GRAEME GARSON FUND

Shead, R. (Chairperson)
Anderson, T.

Lautt*

* denotes non-bencher

1. Executive and Finance Committee

The Executive and Finance Committee is responsible for the general supervision of all business of the Society. More specifically, it is responsible for the preparation of the Society's budget approved annually by the Benchers, for the management of the Society's finances during the year, and for all matters not specifically assigned by the Society's Act or Rules to a standing or special committee of the Society.

In the past year there have been significant changes in the Society's Executive Staff with whom the Executive and Finance Committee works closely. Deborah McCawley was promoted to the position of Chief Executive Officer effective July 1, 1988, replacing Graeme Garson. Subsequently, Don Macri joined the Society on October 1, 1988 as our new Deputy Chief Executive Officer.

The Society continued to maintain its cooperative working relationship with the Attorney-General throughout the past year. Its executive officers

met with the Attorney-General and members of his staff on a regular basis to discuss a variety of issues affecting the legal profession and the administration of justice in Manitoba. We wish to express our appreciation to the Attorney-General for his ready accessability and cooperation.

The Society's professional liability insurance program continued but in an expanded and, we believe, improved form. Effective July 1, 1988, the Society joined the Canadian Lawyers Insurance Association (CLIA) in conjunction with six other participating provincial law societies organized through the Federation of Law Societies. CLIA's fiscal year end of June 30 differs from the Society's fiscal year end of March 31. Accordingly, the Society has this year levied a one time only 15 month assessment for the Professional Liability Claims Fund. That 15 month levy was $1,300.00 and forms a part of the total annual practising assessment of $1,925.00. The Liability Claims Fund levy of $1,300.00, if calculated on a 12 month rather than 15 month basis, resulted in an increase of only $40.00 per member whereas the coverage through CLIA has increased significantly from $250,000.00 to $1,000,000.00 per occurrence.

The Society also established a new non-profit subsidiary named Lawyers' Excess Liability Insurance of Manitoba (LELIM) which has made available to Manitoba lawyers excess liability coverage from $1,000,000.00 to $5,000,000.00, again coordinated through CLIA.

The Society continued its mission of upgrading and improving the Bar Admission Course, with continued particular emphasis on increasing the skills training component of the Course. Professor Morley Gorsky, who for the past two years has been the Director of Professional Standards which includes the Bar Admission Course, will be returning to private practice when his appointment expires July 1, 1989. As well, his assistant, Margaret Anne MacLeod, has resigned her position with the Society. We thank both for their contributions to legal education generally in Manitoba and wish both well in their future endeavours. Effective July 1, 1989, Professor Freda Steel from the Faculty of Law, University of Manitoba, will assume the position of Director of Legal Education for a three year term. We anticipate the continued improvement of the Bar Admission Course and of the Continuing Legal Education programs offered by the Society as we benefit from Professor Steel's enthusiasm and considerable knowledge and experience in the field of legal education.

During the past year, the Executive and Finance Committe has engaged in a number of special projects and has authorized the creation of some special sub-committees to deal with issues of importance to the profession. The Manitoba Database Committee, established last year as a joint committee with the Manitoba Bar Association, evolved into the Legal Data Resources (Manitoba) Corporation (LDRC). LDRC (which has a more detailed report elsewhere in this Annual Report) was set up to enable the legal profession in Manitoba to receive speedy access at reasonable cost to the now computerized government information necessary to effectively carry on a legal practice. When it is fully operational, we expect that LDRC will permit the same access to such records for all lawyers whether practising within or outside the city of Winnipeg.

As well, the Graeme Garson Bar Admission Student Assistance Fund was created during the last year. The purpose of the Fund is to provide interest-free loans to articling students with financial need. The Fund was

established and a founding contribution of $25,000.00 was made by the Society as some measure of respect and appreciation for Graeme Garson and his significant contribution to the legal profession in Manitoba while serving as Chief Executive Officer of the Society. The Fund will be directed by a special steering committee drawn from a broad spectrum of members of the profession and that committee hopes to embark in the very near future upon a fund-raising campaign to raise an additional $100,000.00.

We believe that the Society's financial condition remains sound and that it continues to well fulfil its mandate to the public and legal profession of Manitoba.

Alan MacInnes, Q.C.
President

2. Discipline Committee

There were 28 meetings of the Discipline Committee between April 1, 1988, and March 31, 1989. The committee considered 431 complaints – 280 appearing on the "B" Agenda, while 151 were more serious matters which appeared on the "A" Agenda. The committee also responded to 37 requests from lawyers for advice concerning questions of proper professional conduct. There were 37 instances of breaches of the rules respecting accounts disclosed in spot audits and annual solicitor's reports which were also considered by the committee.

The majority of complaints were submitted by clients; however, 75 or approximately 16% were submitted by other lawyers and judges. As in other years, the most common concerns expressed were delay, failure to keep the client informed and excessive fees.

The Discipline Committee authorized charges against 12 lawyers, and issued formal cautions to 5 lawyers. One member appeared in connection with his assignment in bankruptcy, and was permitted to continue to practise subject to certain conditions. Three custodial orders were obtained, and one member was suspended on an interim basis.

The committee issued four practice directions regarding enforcement of solicitor's liens, a lawyer's obligations on leaving a firm, affidavits of execution of Wills and commonly noted breaches of the rules respecting accounts.

Cheryl Hall, Q.C.
Colin MacArthur
Co-Chairpersons

3. Standards Committee

The Standards Committee held nine meetings between April 1, 1988 and March 31, 1989. Nine members were considered by the committee during that period.

The committee appointed six sub-committees to meet with members to assess their standards of practice and to discuss the matters of competence which were the subject of the complaints against them. One sub-committee did not meet with the member assigned to it because the member had come under review by the Discipline Committee in the interim. The five remaining sub-committes met with members for "fireside chats". In one instance, the

committee resolved that the member's practice should be monitored for a six month period. Thereafter, the committee reviewed the matter and resolved to suggest remedial steps to assist the member in the areas of practice in which he appeared to be experiencing difficulties. Two members appeared before the committee to discuss the reports of the sub-committees.

Two matters were disposed of by way of letters to the members, and one was referred back to the Discipline Committee.

The committee considered the decision of the Judicial Committee concerning certain preliminary objections which had been raised by counsel for a member charged with incompetence. Upon resolution, counsel was instructed to bring an application for prerogative remedies. The matter went to the Court of Queen's Bench and was heard on January 18, 1989. As a result of that decision, counsel for the member has appealed to the Court of Appeal.

The list of members of the Practice Advisory Committee was revised, and the report of the sub-committee chaired by Mr. S. Wilder concerning the future of the Standards Committee was presented and discussed. The first recommendation of the committee, that the Standards Committee delete from its jurisdiction the right to charge members with incompetence, was defeated. The second recommendation with regard to the possible involvement of the Standards Committee in continuing legal education programs remains under discussion.

Two members of the Lawyers Assistance Program attended a meeting of the Standards Committee to provide information concerning the Lawyers Assistance Program, and possible cooperation between the Standards Committee and the Lawyers Assistance Program.

Finally, the committee, during the course of the year, considered the report of a sub-committee which had made recommendations in regards to the future function of the Standards Committee. As a result, a recommendation has been made to the Executive and Finance Committee which has the effect of allowing the Standards Committee an involvement in the Continuing Legal Education Program of the Society.

I would like to express my gratitude to the members of the staff of the Society who have assisted the Standards Committee during its deliberations throughout the year.

Robert A. Dewar
Chairperson

4. Judicial Committee

The Judicial Committee met on nine occasions between April 1, 1988 and March 31, 1989. During those meetings eight matters were resolved.

1. On May 12, 1988 the Judicial Committee accepted a plea of guilty to professional misconduct from Roland Dale Brawn in that he, while acting for himself as a vendor, for the purchaser, and for the mortgagee:

1. In connection with the purchase of property and the placing of a mortgage, failed to discharge an equitable mortgage filed against the title by way of caveat and thus committed a breach of an undertaking which he had given to his clients, the purchasers, to discharge the aforementioned encumbrance;

2. In respect of the new mortgage, failed to discharge both an earlier mortgage and an equitable mortgage, thus committing a breach of undertaking to his client, the mortgagee, to provide a new and clear Certificate of Charge.

In consequence, the Judicial Committee resolved to accept from Mr. Brawn a statutory declaration and undertaking:

(a) to retire from the active practice of law;
(b) not to resume the active practice of law;
(c) to pay on or before September 1st, 1988 the outstanding mortgage;
(d) to satisfy the outstanding encumbrance registered against the caveat.

Mr. Brawn's counsel, on his behalf, waived the 30 day appeal and publication deadline.

2. On June 22, 1988 Donald Melvin Dunlop was found guilty of professional misconduct in that:

(a) Between February, 1987 and August 26, 1987 he failed to cause notice to be given to the adjuster of the Professional Liability Claims Fund as soon as practicable after becoming aware of acts and omissions which gave rise to a professional liability claim, as required by s.25(5), Rules of The Law Society of Manitoba; and
(b) Between February 7, 1987 and December 3, 1987 he failed to cooperate with The Law Society of Manitoba and its adjuster, after becoming aware of acts and omissions which gave rise to a professional liability claim, as required under the provisions of Form F, and the insurance contract, contrary to s.25(5), Rules of The Law Society of Manitoba.

In consequence, the Judicial Committee resolved that:

(a) Mr. Dunlop be fined $5,000.00;
(b) Costs be assessed in the amount of $500.00;
(c) In accordance with Rule 22(1), notice be given to the profession only of the name, the nature of the charge, the fine and the costs.

3. On June 28, 1988, David Lionel Moore admitted his guilt to a charge of professional misconduct in that, with respect to five real estate transactions involving the same client he negligently breached trust conditions imposed upon him. It was clear from the investigation done by the Law Society insurer and the Society itself that Mr. Moore had been negligent but not dishonest in any way.

In consequence, the Judicial Committee resolved:

1. A fine of $750.00 be imposed respecting each count, and payment of such fine, without interest, would commence upon the repayment of the member reimbursement outstanding;
2. No costs be paid;
3. There be publication to the profession only, pursuant to Rule 22(11), indicating the member's name, the nature of the circumstances, and the disposition.

4. On August 18, 1988 Theodore Patrick Besko was found guilty of professional misconduct in that:

(a) failed to have a trust ledger balance as required by Rule 62(2)(c);
(b) failed to have an up-to-date bank reconciliation, as required by Rule 62(2)(e);
(c) failed to furnish annually for 1985, 1986 and 1987 an Annual Solicitor's Report (Form D) as required by Rule 66(1).

2. He transferred monies in the amount of $600.00 on account of fees without rendering a bill to the client before the money was withdrawn, contrary to Rule 63(b).

3. Between January 16, 1987 and April 14, 1987 he transferred monies on account of fees on twenty-five occasions totalling $6,791.92 without rendering a bill to the client before the money was withdrawn, contrary to Rule 63(b).

4. Between June 18, 1987, and July 22, 1987, he transferred monies on account of fees on seven occasions totalling $2,090.00 without rendering a bill to the client before the money was withdrawn, contrary to Rule 63(b).

5. On August 6, 1986, he transferred monies in the amount of $250.00 on account of fees without rendering a bill to the client before the money was withdrawn, contrary to Rule 63(b).

6. He failed in his duty to serve his clients in a conscientious, diligent and efficient manner by:
(a) failing to provide the client with an accounting of money received and disbursed on their behalf;
(b) misleading the client as to the status of the accounting;
(c) failing to provide a satisfactory, or any, explanation to the clients respecting the status of their interim financing.

7. He failed within a reasonable time to comply with an undertaking given to The Law Society at Manitoba respecting a report or account to his clients.

8. He failed in duty of courtesy and good faith towards his fellow lawyer by failing to comply with repeated requests respecting trust conditions as set out in 16 letters between January 18, 1984 and April 6, 1986.

In consequence, the Judicial Committee resolved that:

(a) With respect to each count, as follows, Mr. Besko:
Count 1: be assessed a fine of $2,000.00; have his practising certificate revoked and immediately reissued on the condition that he provide, for one year, to the Law Society, within 30 days after each month end, a true copy of his trust ledger trial balance and trust bank reconciliation;
Count 2: Be reprimanded;
Count 3: Be assessed a fine of $500.00;
Count 4: Be reprimanded;
Count 5: Be reprimanded;
Count 6: Be assessed a fine in the amount of $500.00;
Count 7: Be assessed a fine in the amount of $250.00;
Count 8: Be assessed a fine in the amount of $2,000.00;

(b) Mr. Besko pay the costs of the hearing, assessed at $2,190.00;
(c) Pursuant to Rule 22(11) notice be given to the profession only of the name, nature of the charges, penalty and costs.

5. On November 23, 1988 Stanley Noel Udow was found guilty of three counts of professional misconduct with respect to certain violations of the rules respecting accounts. In consequence, the Judicial Committee resolved that Mr. Udow be reprimanded, assessed costs in the amount of $500.00 and that notice be given to the profession of the name, nature of the charge, and costs.

6. On March 15, 1989 Nathan Shuckett was found guilty of professional misconduct in that he failed to comply with Rule 66(3), Rules of The Law Society of Manitoba, which required the payment of a penalty for failure to file a Form D, Annual Solicitors' report, as required by Rule 66(1).

In consequence the Judicial Committee resolved that Mr. Shuckett be reprimanded.

7. On March 27, 1989, Edward Shelley Partington, of the City of Winnipeg, in Manitoba, was found guilty of professional misconduct with respect to fourteen breaches of the requirements of the Rules respecting accounts;

In consequence thereof, the Judicial Committee of the Law Society resolved that Mr. Partington be suspended from practising as a barrister and practising as a solicitor for a total period of nine months, effective as at 12:00 noon on March 27, 1989;

It was further resolved by the Judicial Committee of the Law Society that Mr. Partington pay costs to the Law Society in the amount of $10,000.00;

It was further resolved by the Judicial Committee that at the expiration of the suspension period, if Mr. Partington recommences the practice of law, he should not practise alone but must practise, if at all, under the supervision of a member of the Law Society acceptable to the Admissions and Education Committee, and do so for such length of time as the committee may determine.

One additional matter was adjourned sine die for a new date, and one matter is currently before the Manitoba Court of Appeal having been heard in the Court of Queen's Bench on January 18, 1989.

On November 22, 1988 the Court of Appeal unanimously upheld the decision of the Judicial Committee of August 17, 1987 wherein the committee resolved that Warren Shaver Eadie was guilty of two counts of professional misconduct and that he be disbarred and his name struck from the rolls.

There are, as well, 8 Citations pending against seven members of the Society, one of whom faces two Citations. It must be added that members of the committee have been most cooperative in their willingness to set aside time, often several days consecutively, in order to deal with matters brought before the committee. It is fair to say that, once a matter has actually come to the committee's attention in the form of a Citation against a member, any delay in disposing of it has been due almost entirely to the inability of that member's counsel to make himself available sooner. The Society is indebted to those members of the committee for their fidelity.

All of which is respectfully submitted.

J.F.R. Taylor, Q.C.
Chairperson

5. Professional Liability Claims Fund Committee

As Chairperson of this committee, I wish to take the opportunity of thanking all members of the committee together with the Law Society staff for the substantial amount of time and effort they expended over the past year.

This year was a "threshold" year for the Professional Liability Claims Fund program for The Law Society of Manitoba in the following respects:

a. In July, 1988, The Law Society of Manitoba joined the Canadian Lawyers Insurance Association exchange program, a national professional liability insurance program set up by seven participating Societies under the guidance of the Federation of Law Societies;

b. The mandatory layer of the professional liability program increased its limits from $250,000.00 to $1,000,000.00 effective April 1, 1989;

c. Effective April 1, 1989, The Law Society of Manitoba established a new not-for-profit subsidiary named the Lawyers' Excess Liability Insurance of Manitoba Limited which corporation conducted the marketing of a new excess liability program for lawyers in Manitoba providing coverage from $1,000,000.00 to $5,000,000.00 inclusive. Twenty law firms, representing approximately 300 lawyers joined the new excess program which is coordinated through the Canadian Lawyers' Insurance Association.

The Canadian Lawyers Insurance Association, in its own right, is currently operating mandatory and professional liability programs in seven provinces and is currently marketing its excess program only in the remaining provinces across Canada. It is hoped that by July 1, 1989 (being the end of its first year of operation) the initial target of 15,000 participating lawyers in both the mandatory and excess programs combined will be met.

The Professional Liability Claims Fund operation for the last year resulted in the ability of the Law Society to generate a refund to its members in the amount of $150.00 per lawyer.

The reimbursement fund built up a slight increase in its net equity for the past year and your committee was able to negotiate a much-improved "stop loss" insurance policy in the amount of $10,000,000.00 with the American Home Insurance Company.

Richard G. Shead
Chairperson

6. Admissions and Education Committee

The Committee has responsibility in the following areas:

1. Bar Admission Course (B.A.C.) education-admissions criteria and, subsequently, both articling and academic components.
2. Continuing Legal Education (C.L.E.) for practitioners and others.
3. Return to active practice of members not currently holding active certificates.
4. Direct transfer from active practice outside Manitoba.

There is also involvement in legal education for the public on an **ad hoc** basis.

I. Bar Admission Course

General

The 21st Bar Admission Course commenced in May, 1987 and eighty-three students were articled. During the year one student withdrew and no students failed. Eighty-two were called to the Bar on June 29, 1988.

The A. Montague Israels Prize for the outstanding student in the 21st Bar Admission Course was awarded to Melanie Lautt. She received her prize from Mr. Justice Simonsen at the call to the Bar ceremony.

During the 21st Bar Admission Course, a sub-committee struck to examine ideas for distributing the surplus in the Israels Prize Fund had recommended the establishment of two bursaries, each in the amount of $400.00, for worthy Bar Admission course students. This recommendation was accepted. Application forms were duly prepared and notices posted requesting applications. A number of applications were received and the bursaries were subsequently awarded by a selection committee to two members of the 22nd Bar Admission Course.

The 22nd Bar Admission Course commenced in May, 1988. There were eighty-seven students, all of whom were still enrolled as at March 31, 1989.

Ross Antymniuk, previously the third year student bencher, was elected Bar Admission Course Bencher for the 22nd Bar Admission Course. Donna Unrah was chosen as the third year Bencher. Both made notable contributions to the committee during the year and the committee thanks them both for their efforts.

A committee of students in the 22nd Bar Admission Course was formed for the purpose of improving communications between the students and the Director and Assistant Director. The chairperson of the committee was Ross Antymniuk. A considerable number of matters were raised by the committee and a number of accommodations were arrived at.

In order to assist Course Heads and Instructors a system of evaluation developed by the Assistant Director was employed. Several students were appointed as evaluators for each teaching day. Margaret Anne MacLeod prepared the evaluation forms and administered the program. Ms. MacLeod tabulated the results from the evaluation forms and submitted them to the Course Heads and Instructors.

Course Changes

Morley Gorsky served as Director of Professional Standards and Margaret Anne MacLeod served as Assistant Director throughout the year. Anna Faulkes has very capably served in the capacity of Secretary/Registrar throughout the year.

There was one major personnel change affecting the academic component of the Bar Admission Course. This was the appointment of Lori Ferguson-Sain on July 1, 1988 as the Lawyer/Editor.

Major changes were begun in the academic component of the 21st Bar Admission Course with a view to increasing the amount of time devoted to training students in some of the skills employed by lawyers (e.g. drafting, advocacy). With the co-operation of Course Heads and Instructors, less time was devoted to formal lecturing and more time spent on the performance of skills exercises based on the kinds of work done in an actual practice setting.

The class frequently was broken into seminar groups which attempted to solve the kind of problems encountered in law offices. Also, more emphasis was placed on the demonstration of a variety of practice skills performed by lawyers.The emphasis on skills training was continued during the 22nd Bar Admission Course.

Commencing with the 21st Bar Admission Course, the Wills and Estates segment was used, and has continued to be used, as the pilot course for further skills training. First steps were taken to introduce different skills into each teaching day devoted to the Wills and Estates Course which was conducted in January, 1988. Each teaching day featured a different skills exercise. This process was enlarged upon in the 22nd Bar Admission Course where five skills exercises were performed by students, all under the supervision of experienced practising lawyers. Students were presented with a file for each segment, containing materials that a lawyer would have before him/her when undertaking a particular task. Exercises included drafting wills, taxation of executors' accounts, a committeeship application and an interviewing/counselling exercise.

As evaluation and feedback are fundamental to the success of a skills training program, it was necessary to obtain the services of a considerable number of additional instructors. In order to ensure a uniform standard of evaluation, instruction guidelines for the evaluators were prepared for each of the skills segments.

The Course Heads of each of the courses introduced at least one skills exercise as part of their courses.The exercises were patterned on those introduced in the Wills and Estates course: e.g. Family Law – motions practice; Civil Procedure – an opening statement. Some of the advocacy exercises were videotaped for review and evaluation purposes.

A number of Course heads prepared short, machine-markable content tests which were given at the beginning of each Bar Admission Course day. These tests were worth five marks each and were intended to provide an incentive for students to keep up with the course on a day-to-day basis.

Because of the reduced emphasis on formal lecturing, the Bar Admission Course materials are being re-written and edited by Ms. Sain. These materials are in the course of being edited so as to eventually permit annual updating through the use of inserts. In this way, the materials will not become out-dated and can serve as a continuing practice aid. Ms. Sain edited and re-wrote the Wills and Estates materials, under the direction of George Bass. She also assisted in the preparation of the Taxation materials, under the direction of Lisa Collins; the Corporate/Commercial materials, under the direction of Jackie Lowe and Shael Wilder and the Ethics and Professional Responsibility materials under the Director's supervision.

Significant improvements were made to the Civil Procedure and Taxation materials, both of which were almost completely rewritten by the Course Heads and Instructors.

Videotaping equipment was purchased and was used to videotape student advocacy exercises. The equipment will also be used to videotape demonstrations by lawyers, which tapes will be kept on file, thus avoiding the need to repeat demonstrations and further enable an expansion of the kinds of demonstrations made available to students and lawyers.

As the year progressed, students adapted to the skills-based courses. An ongoing effort was made by students, Course Heads, Instructors and the staff of Legal Studies to make the transition as smooth as possible.

Subject matter of the Bar Admission Course

The core subjects for the 21st Bar Admission Course, were:

1. Criminal Procedure;
2. Real Property Transactions;
3. Corporate/Commercial Transactions;
4. Wills and Estates;
5. Taxation and Accounting;
6. Family Law and Procedure;
7. Civil Procedure;
8. Administrative Law;
9. Skills Training;
10. Ethics and Professional Responsibility.

Evaluation of the first eight segments was by written examination (graded pass, marginal or fail) and variously employed weekly tests and the performance of a number of skills exercises.

Skills Training is evaluated by means of assignments alone and Ethics and Professional Responsibility continues to be graded by panels of oral examiners.

The Bar Admission Course is only the beginning of a student's practical training and further skills training in such matters as Interviewing, Counselling and Negotiating as well as Office Skills, Drafting and Advocacy will be continued as part of "hands-on" C.L.E. Programs.

The grading system in the Bar Admission Course permits students no more than two non-passing grades and requires that students pass any supplements in order to complete the year successfully.

II. Continuing Legal Education

General

A summary of presentations offered from April, 1988 – March, 1989 follows:

	Date		No. of Registrants
1.	9 April 88	Intellectual Property	76
2.	27 April 88	Bankruptcy	54
3.	5 May 88	Banking Law Essentials	145
4.	11-14 May 88	Day Residential Seminar Advocacy	24**
5.	18 May 88	Plea Bargaining	26
6.	8 June 88	Trust Conditions in Real Estate Transactions	112
7.	18 Nov. 88	Revised Queen's Bench Act and Rules	458
8.*	26 Nov. 88	Introduction to Computer-Assisted Income Tax Course	24**

9.	2 Dec. 88	Manitoba Govt. Public Access Data Bases	56**
10.	21 Jan. 89	Word Processing for Lawyers	21**
11.	16 Feb. 89	Insurance Law	128
12.	11 Mar. 89	Employment Law	56
13.	18 Mar. 89	Computer Assisted Legal Research	14**
14.	29 Mar. 89	Child Access	54

* The computer assisted Income Tax Course is now available to members of the profession who can either use their own terminals or those in the E.K. Williams' Library.

** Limited access programs.

Materials generated continued to be marketed to the profession after the programs were held, furnishing a valuable on-going service to the practitioners.

The Bar Admission Course materials offered for sale were extremely well received by the profession.

Inns of Court Program

The Inns of Court Program, which was developed under the guidance of Mr. Justice Simonsen, took place on six Monday evenings commencing in February 1988 and ending in May of 1989. This limited enrollment program (32) offered civil and criminal programs, with each segment being led by representatives of the Bench and Bar.

Remedial Education

The Director met with a sub-committee of the Standards Committee to discuss means of providing remedial education to lawyers who have been experiencing difficulties. The Director has intervened when requested by the Standards Committee.

III. Return to Active Practice of Members Not Currently Holding Active Certificate

A number of members were permitted to return to practice on paying the requisite fees and assessments. The committee continues to view each application on its own merits.

IV. Direct Transfer from Active Practice Outside Manitoba

These applications generally fall under Rule 44 and are dealt with from time to time by the committee. There were three such applicants during the past year who wrote the transfer examination, passed it, and were called to the Bar.

One transfer applicant was called to the Bar pursuant to Rule 46(1).

V. Additional Matters

Cooperation with the Faculty of Law, University of Manitoba

Margaret Anne MacLeod and Barbara Hamilton, Q.C., served as members of the Articling Interview Sub-committee and represented the interests of the profession in the development of a new interview proposal which was presented to the committee at its April, 1989 meeting.

The Director continued to sit as a member of the Faculty council and monitored the developing skills program at the Law School so as to better integrate it with the skills program in the Bar Admission Course. Assistance was given to Professor Roland Penner and Glenn Sigurdson in videotaping students in an Interviewing/Counselling and Negotiating Course offered at the Law School.

Two attendances were made at the Law School to furnish information to third year students about the Bar Admission Course.

Cooperation With Legal Data Resources (Manitoba) Corporation.

The Director worked with Richard Shead and Ron Coke in developing an education program to train lawyers, students and support staff in accessing by computer the several government data bases. The Director attended a number of meetings organized by Manitoba Data Services, involving the M.D.S. and the different providers in order to represent the interests of the Law Society.

Computer Training in the Bar Admission Course and as Part of Continuing Legal Education.

The wide spread use of computer technology in law offices is now a reality. Considerable effort was devoted to developing and presenting a number of computer-based programs as part of the C.L.E. program (Database, Income Tax, Information Retrieval, Word Processing). Excellent cooperation was received from Denis Marshall and Gordon Russell of the Faculty of Law.

Discussions have begun with representatives of I.B.M. to develop a cooperative program, such as exists in British Columbia, for the purpose of training students in computer applications relevant to the practice of law.

Cooperation with the Manitoba Bar Association

In February of 1989 the Director attended before the Council of the Manitoba Bar Association in order to explain the initiatives that were being taken and planned in the Bar Admission Course and in Continuing Legal Education and to answer questions about the program.

The Director was a member of the planning committee for the education program presented at the Mid-Winter Bar meeting in February of 1989 and was involved in the presentation of a Court of Appeal Advocacy program.

The Director had meetings with heads of the interested sections of the M.B.A. to discuss the preparation of a Loss Prevention Manual for use by Manitoba Lawyers.

The Judiciary

Communication was maintained with judges of all Courts to keep them advised of developments in the Bar Admission Course and in Continuing Legal Education. Ongoing discussions took place on the development of education programs which would involve the cooperation of judges.

Cooperation with the Bar outside of Winnipeg

In order to provide lawyers who practice outside of Winnipeg, and who are unable to attend programs held in Winnipeg, with the same programs, the practice of videotaping Winnipeg programs was expanded and the rental of the tapes, along with accompanying written materials, was advertised.

Legal Studies also cooperated with the Western and Northern Bars in the presentation of their programs to introduce the revised Queen's Bench Rules.

The Director also attended and spoke at the Northern Bar Spring meeting held in Thompson in May, 1988.

Ms. MacLeod represented the Legal Studies Department at the September 1988 meeting of the Western Bar in Elkhorn where she met with Western Bar members and informally discussed ways in which Legal Studies could better serve the members of the Bar who practice out of Winnipeg.

The Western Judicial Education Centre

Ms. MacLeod served on the Advisory Board of the Centre.

The American Continuing Legal Education Association (A.C.L.E.A.)

Ms. MacLeod was a guest panelist at the Association's convention held in February, 1989.

I wish to thank George Bass, Vice-Chairperson and all members of the committee and the staff of Legal Studies for their efforts throughout the year.

Gavin Wood
Chairperson

7. Constitution Committee

The Constitution Committee had a relatively busy year during 1988-89 and dealt with an number of matters of interest to the profession.

Act Amendments

After considerable study and deliberation, the committee recommended to the governing body a number of amendments to The Law Society Act:

a) Changes to the Bencher election procedure which would result in a new Eastern Electoral District in rural Manitoba separate and distinct from the City of Winnipeg;

b) Changes to certain sections of the Act referring to "accountants" so that the generic term is now used and outmoded designations are deleted;

c) The addition of a new section to the Act to permit what would otherwise be confidential information concerning a member's disciplinary record to be disclosed by the Society to the federal Minister of Justice or the provincial Attorney-General when members are being considered for judicial appointments;

In addition, the committee is considering recommendations concerning other act amendments which, at the date of this report, have not yet been presented to the governing body:

d) The addition of a new section concerning assessment (taxation) of a lawyer's account as this provision is no longer included in the Queen's Bench Act;

e) A new section providing a statutory exemption from liability for benchers, officers and employees of the Society from errors and omissions in the course of performing their duties, providing the person acts in good faith.

Rule Amendments

The committee recommended a number of rule amendments which were adopted by the governing body:

a) A rule putting limitations on the right of benchers to appear as counsel on behalf of the Society or a member before the governing body or its committees;

b) An addition to the rule regarding law firm letterhead clarifying that only members holding current practising certificates may appear on the letterhead, except when a person is appropriately designated as retired, deceased, or a registered patent or trade mark agent;

c) Amendments to the accounting rules and Form D to provide a new definition of "accountant" and do away with the outmoded designation of "RIA".

d) A new rule specifying the conditions under which judges who have retired from the bench may return to practice and appear before the courts after a "cooling off period".

e) Translation into a dual column bilingual format of Rules 21 and 22 concerning the proceeding of the Judicial Committee;

f) An amendment to certain subsections of Rule 22 that would clarify the Society's power to publish a finding of incompetence against a member after a hearing before the Judicial Committee.

Other Matters

The committee also dealt with a number of matters that did not result in specific Act or Rule amendments.

The committee considered nine instances of alleged unauthorized practice by non-lawyers. In one case, the committee instructed counsel to commence proceedings for an injunction in the Court of Queen's Bench. Similar action was taken in the case of a paralegal firm as a result of a formal resolution by the governing body after a recommendation by this committee, and the matter is now pending before the courts.

The governing body accepted a recommendation of the committee that approval in principle be given to the concept of incorporation of law practices, and this issue is being followed up by the Executive Officers of the Society. After considerable debate, the governing body also accepted a recommendation of the committee that Treasury Bills not be approved as a form of investment by lawyers for client trust funds. The committee also resolved that the requirement to file contingency agreements which is being removed from the Queen's Bench Act should not be placed in The Law Society Act.

In an effort to deal with the problem of obtaining quorums for Judicial Committee hearings, the committee recommended to the governing body that non-benchers be co-opted to sit on the Judicial Committee. That matter is now being studied further to determine whether Act or Rule amendments will be necessary to permit this step to be taken. The committee also began to conduct an overall review of the Society's rules regarding trust accounts and trust funds, and that review is still in progress as of the date of this report.

The chairperson wishes to express his thanks to the members and staff of the committee who have devoted considerable time and energy over the past year to the Constitution Committee.

Colin MacArther
Chairperson

8. Personnel and Fiscal Management Committee

This committee, established in 1986, assumes the responsibilities previously discharged by the Salary Review Committee, a sub-committee of the Executive and Finance Committee appointed yearly to make recommendations as to staff salary and matters and increases.

In August and September, 1988 the Personnel and Fiscal Management Committee met on several occasions to review the staff salary increases. The staff were advised that those members who wished to make representations to the committee would be invited to do so. The committee recommended an across the board increase of 5%. In its review the committee, after hearing representations from certain employees, made increases in the case of four individuals of more than 5% based on change of duties and increased workload.

At its Annual Review the members of the committee, following a recommendation from the Bench, will be establishing job descriptions for all employees with resulting salary ranges to be established.

The Personnel and Fiscal Management Committee is also charged with the mandate of monitoring the funds and assets of The Law Society of Manitoba. The firm of Jarislowsky, Fraser and Company was appointed to manage the Society's investments and Canada Trust is the custodian of the Society's funds. Mr. Bryan Klein, a member of the Personnel and Fiscal Management Committee, is charged with the responsibility of reviewing our investments and reports to Personnel and Fiscal Management and ultimately to Executive and Finance Committee.

A pension benefit employee booklet, prepared by William M. Mercer, was reviewed by members of the staff and the proposed booklet was approved by the members of the committee.

Since the dissolution of the Building Management Committee, matters relating to the management of The Law Society Building itself are now handled by the Personnel and Fiscal Management Committee. On December 1, 1988 The Manitoba Law Foundation, which had leased space from the Law Society, vacated its space. It was the consensus of this committee that that space would be now used by staff of the Law Society with minor renovations approved by the committee.

Holidays for the Law Society staff were reviewed. A policy had been in existence that there was no distinction between professional and non-professional staff in the past. A review was taken of the policy of the provincial and federal government as to its employee's holidays. At its meeting of April 3, 1989 the members of the committee resolved that holidays for non-professional support staff would be as follows:

Three weeks after one year;
Four weeks after five years;
Five weeks after twelve years;
Six weeks after twenty years.

For professional staff holidays were to be as follows:

Four weeks after one year;
Five weeks after ten years;
Six weeks after twenty years.

This proposed policy was brought to the full Bench at its April meeting and approved.

At its last meeting of the year members discussed whether all decisions for hiring professional staff at the Society needed to be formally ratified by the Benchers, as is now the case. This can result in the problem of time delays in making formal announcements when positions are filled due to the fact that the recommendation of the Search Committee has to be ratified by the full Bench. At times there can be a delay of approximately one month from the point of the time when the Search Committee informs a particular applicant that they are to be recommended for the job until it is ratified by the Bench.

When applications are invited for hiring professional staff the applicants are advised that their application is to be treated in a confidential manner. Therefore, when the Chairperson of the Search Committee makes a report to the Bench the Chairperson cannot go into detail as to the other applicants nor their qualifications, and the Bench in all cases ratifies the recommendation of a Search Committee. It is the view of the majority of the members of the Personnel and Fiscal Management Committee that when a Search Committee is established for hiring professional staff that the decision be made at the time of the establishment of the Search Committee whether or not the decision of the Search Committee has to be ratified by the full Bench.

Hymie Weinstein, Q.C.
Chairperson

9. Legal Services Information and Lawyer Referral Committee

As reported earlier, the function of overseeing the Lawyer Referral Service has now been entrusted to the Community Legal Education Association (C.L.E.A.). Thus, the committee itself has not met during the past year, but has monitored the Lawyer Referral Service through the Society's three representatives to the C.L.E.A. Board, J.F. Reeh Taylor, Q.C., Jim Toal and Doug Ward.

Ms. Mary Troszko who runs the Lawyer Referral Service out of the C.L.E.A. office remains an employee of the Society. The Society has also given a grant to C.L.E.A. in addition to the payment of Ms. Troszko's salary.

J.F.R. Taylor, Q.C.

10. Ethics and Professional Responsibility Committee

The committee met on a regular basis throughout the year and discussed a broad range of issues. The following is a brief synopsis of a number of those issues.

1. PREPAID LEGAL SERVICES. The committee discussed one such proposed plan. It came to the conclusion that this plan was not in violation of our present Rules. However, the committee had some concerns relating to some of the advertising accompanying the plan. These concerns were forwarded to the law firm servicing the plan. Subsequently, the broad issue of prepaid legal services, and this plan in particular was dealt with by the Bench.

2. LAWYERS' OBLIGATIONS WHEN LEAVING A FIRM. The committee prepared and issued a practice direction outlining the obligation to a

client of both the firm and a departing lawyer when that lawyer has conduct of a matter.

3. THE C.B.A. CODE OF PROFESSIONAL CONDUCT. A sub-committee was formed to review this Code. It has substantially completed its work and will be reporting to the committee shortly.

4. OCCASIONAL APPEARANCES. The committee reviewed and confirmed the Society's current practice respecting the examination of Certificates of Standing provided by other Societies. It referred the question of the extent, if any, a society ought to go behind these certificates to the Federation of Law Societies.

5. TRUST CONDITIONS. A practice direction respecting lawyers' compliance with trust conditions was prepared by the committee. After amendment by the Discipline Committee, it was circulated to the profession.

6. CONFLICTS OF INTEREST. The committee determined that the Discipline Committee was the approriate body to deal with requests for practice directions about conflicts of interest.

7. DIRECT SOLICITATION OF CLIENTS. A sub-committee was formed to review the question of direct solicitation of clients. In particular, this sub-committee was to consider the issue of direct mail advertising. Proposals have been drafted and will be considered shortly.

8. SOLICITORS LIENS. A memorandum prepared by counsel was reviewed by the committee. This memorandum will be published in the Communiqué for the information of the profession.

David Deutscher
Chairperson

11. Legal Aid Liaison Committee

The Legal Aid Liaison Committee serves as a vehicle of communication between the Society and Legal Aid Manitoba for issues of common concern.

The committee met once last year with the Executive Director of Legal Aid Manitoba at which time we discussed the continued role of the committee. Although the committee meets infrequently, it was agreed the meetings serve a useful purpose and should be continued.

Two substantive issues of concern to the profession were discussed. Firstly, the matter of maintaining an accused's right to freedom of choice of legal counsel within the Legal Aid system was considered. The second topic of discussion was the use of paraprofessionals by Legal Aid Manitoba in delivering legal services to the public, particularly in rural and Northern Manitoba.

Further discussions will be held with Legal Aid in the future as needed to deal with the above issues which are of ongoing concern to the Society.

John Menzies
Chairperson

III. Related Activities and Reports

1. Joint Public Relations Committee of the Manitoba Bar Association and The Law Society of Manitoba.

The Public Relations Committee was not active this year and held only one meeting. A pamphlet regarding lawyers' fees was approved as to content. However the committee was of the opinion that much more must be done to enhance public relations and communications not only as to pamphlets but as to the profession as a whole. Rather than issue the approved pamphlet in the standard form it was decided to retain the services of a commercial artist to have the pamphlet printed in an interesting form which would have a wider appeal.

The committee was also of the opinion that it should either be more active or be disbanded altogether. The committee has seldom met as many issues of Public Relations are dealt with on an ad hoc basis by the Society's Executive and Finance Committee. This committee was of the opinion that the assistance of a public communications specialist would be in the Society's best interests and that the ongoing disputes involving the Society and its members could be put in a better light with the assistance of such a professional. The question remains whether such a professional should be retained by the Public Relations Committee or by the Society as a whole.

These are matters which will be brought to the attention of the Executive and Finance Committee in the near future as to what direction this committee should take.

Norm Cuddy
Chairperson

2. Manitoba Law School Foundation

As Chairperson of the Board of Governors of the Manitoba Law School Foundation, I am pleased to present the annual report of the Foundation to the members of The Law Society of Manitoba.

The Manitoba Law School Foundation was founded by a private enactment of the Manitoba Legislature in 1965 for the purpose of the enhancement and advancement of the Manitoba Law School and for the advancement of legal education and research or other objects considered beneficial to or in the interest of the legal profession and the public.

The members of the Foundation are two nominees of The Law Society of Manitoba, two nominees of the Manitoba Bar Association, two nominees of the Manitoba Law School, and one nominee of the Senate of the University of Manitoba.

During the past twelve months, the Board of Governors met four times.

The Foundation currently oversees the investment of approximately $125,000.00 of assets, $65,000.00 of which represents the capital of the Foundation's own endowment fund, $25,000.00 of which represents the new Graeme Garson Fund, and the remaining $35,000.00 represents capital of specific funds that have been established over the years in respect of which the Manitoba Law School Foundation acts as custodian and trustee.

During the course of the year, the Foundation was involved in the following activities:

1. Establishment of the Graeme Garson Fund initially seeded with a $25,000.00 contribution by The Law Society of Manitoba which Fund has been established for the purpose of providing financial assistance to needy students participating in the Bar Admission Course;
2. Conduct of a fundraising campaign to be completed by June 30, 1989 to raise an additional $100,000.00 objective of capital for the Graeme Garson Fund;
3. Completing arrangements with the Legislative Council for the Province of Manitoba to re-enact the Foundation's statutes in accordance with the continuing consolidation of statutes of Manitoba.

Richard G. Shead
Chairperson

3. The Federation of Law Societies of Canada

The annual meeting of the Federation of Law Societies of Canada was held at Montreal, Quebec on August 19, 1988. Laura L. Legge, Q.C., of Toronto, Ontario was elected President of the Federation for the year 1988-89 and Robert D. Laing, Q.C., of Saskatoon, Saskatchewan was elected Vice-President.

During the past year the Federation dealt with many matters of national concern to the governing bodies. One of its major accomplishments in the past year was the coming into existence of the Canadian Lawyers Insurance Association (CLIA) effective July 1, 1988, the founding members being Manitoba, Saskatchewan, Alberta, New Brunswick, Nova Scotia, Prince Edward Island and the Yukon. Through CLIA the Society hopes to be able to continue to offer a comprehensive program of professional liability claims coverage at a reasonable cost based on the Manitoba claims experience.

There are many matters which the Federation of Law Societies undertakes generally on behalf of the profession of which many members may not be aware. One is the work done by the Joint Committee on Accreditation which considers and evaluates applications received from applicants outside of Canada who wish to be admitted to the bar in a particular province. Evaluations are held, examinations conducted, and certificates of qualifications issued. In the year 1987-88, 140 applications from 29 different jurisdictions were considered. This committee is of tremendous assistance to The Law Society of Manitoba's Admissions and Education Committee in considering applications from other jurisdictions for admission to the bar in Manitoba.

The Federation's National Legal Aid Liaison Committee considered and responded to the C.B.A. paper "Legal Aid Delivery Model." Additionally, the Federation responded on behalf of the governing bodies to a special Task Force of Officials on Internal Trade in Canada which was created by the First Ministers Annual Conference on November 26 and 27, 1987 and provided them with the rules, regulations and policies of each of the various Societies. The question of free trade was discussed but it was decided not to have a special committee to consider this issue at the present time although developments will be followed closely.

In the area of Continuing Legal Education the Federation of Law Societies and the Canadian Bar Association jointly sponsored a program in 1988 on family law which saw over 190 registrants. There was also a successful program held on criminal law. The materials from the programs are available to the profession as will be a book on legal writing to be published by the Federation shortly. Professional tapes have been produced in the areas of loss prevention and evidence and these tapes are also available for use in programs in the various provinces.

The National Committee on Legal Education which arose as a result of the 1985 Federation of Law Societies' conference on Legal Education in Winnipeg continues to meet regularly to address matters of interest and concern to the various governing bodies, the faculties of law, bar admission course programs and continuing legal eduction programs.

At the annual meeting of the Federation in August, 1988 and at the mid-winter meeting in Banff, Alberta, February 23-25, 1989 a number of issues facing the profession were considered and discussed including uniformity in occasional appearance rules, the question of inter-provincial and inter-jurisdictional law firms, the role of paralegals and the unauthorized practice of law among others. The activities of the Federation nationally tend to mirror activities taking place in the various provinces. The national office provides an invaluable service to the governing bodies in coordinating these activities and in providing information and sharing resources.

The Federation will be meeting next in Vancouver, British Columbia in August, 1989.

Deborah J. McCawley, Q.C.
Chief Executive Officer

4. Legal Library Resources – Users Committee

Legal Library Resources was established in February, 1986 as an amalgamation of the Attorney-General library and Department office libraries with the support of the former Law Society of Manitoba court house libraries program.

Legal Library Resources coordinates all activities of the Great Library and the Attorney-General's Library in Winnipeg, and the four Court House Libraries in Brandon, Dauphin, The Pas, and Thompson. Collection development and maintenance for all Attorney-General program offices throughout Manitoba, plus the Queen's Bench/Court of Appeal and Provincial Court libraries are also the responsibility of Legal Library Resources.

The Manager of Legal Library Resources maintains communication with and seeks advice from the Legal Library Resources Users' Committee in order to rationalize library services and collections. The Users' Committee consists of two representatives each from The Law Society of Manitoba and the Attorney-General's Department, plus the Chief Librarian of the E.K. Williams Law Library, University of Manitoba (Ex-officio):

Legal Library Resources Users' Committee Members 1988/89:

Murray Conklin – Attorney-General's Department
Tom Hague – Attorney-General's Department
John Scurfield – Law Society of Manitoba

Don Little – Law Society of Manitoba
Denis Marshall – E.K. Williams Law Library

The committee met twice during 1988/89. On behalf of the Society, a request was made that consideration be given, after consultation with local members, to the sale of outdated texts and materials in Morden, Minnedosa and Portage libraries, and to the purchase of a single report series for each location. The feasability of this proposal, and to what extent the quality of rural libraries can be enhanced or maintained through the acquisition of new texts or materials, is subject to budgetary committments for the coming year which are at present unknown.

Don Little
Chairperson

Legal Library Resources – Manitoba Justice

This second annual report summarizes the activities and accomplishments of the Legal Library Resources program after its third full year of operation.

Major client groups served by these libraries include the Attorney-General's staff, the Judiciary, the practising Bar of the Province of Manitoba, and other legal libraries. The general public is served primarily through the Great Library in Winnipeg, although requests to use the rural court house libraries have also been received.

Our primary objectives for 1988/89 were:

* To respond efficiently and effectively to all requests for legal and quasi-legal information.
* To provide overall program support to the Department and the legal community through effective co-ordination and consolidation of library policies, services and publications purchasing.
* To develop comprehensive automated systems for improved province-wide access to legal resources and for budgetary control (e.g. catalogue holdings; unreported judgment files; purchasing and accounting records; statistics).
* To develop further the Legal Library Resources program mandate; job descriptions; training objectives; activity and statistical profiles; policy and procedure manuals; and evaluation methods.
* To analyze and improve regional information delivery systems so as to rationalize future expenditures consistent with local, regional and central demands.
* To cooperate and liaise with other legal and government libraries in Manitoba for increased cost benefit and resource sharing.
* To expand existing services to incorporate the new Corrections Division of the Attorney-General's department.

Major Program Activities 1988/89

a) Staff

The staff complement (10 positions) is unchanged since 1987/88. In May 1988, a Library Technician experienced in library cataloguing and automation was hired to assist the Head of Technical Services in the development of automated in-house systems for cataloguing, purchasing and indexing of the various library and office collections. In addition, existing automated systems for all subscription costs, accounting, invoicing and statistical reporting have been evaluated and improved by the Manager and the Administrative Assistant in the central office in Court Services, Woodsworth Building.

All four active rural court house libraries (Brandon, Dauphin, The Pas, Thompson) are staffed part-time by Court Services staff. A job description for rural staff has been developed and implemented.

b) Information Services

Almost 15,000 requests are received each year in the great Library and Attorney-General's Library for legal research and reference information.

GREAT LIBRARY: Computerization remains one of the Great Library's major priorities, particularly in the areas of unreported judgments and photocopy billings, where pilot projects have been initiated.

The textbook budget allowed for the purchase of mainly Canadian materials, but also some British and American. The serials collection will be reviewed in 1989/90 to identify any significant gaps and to repriorize where needed.

Of the 12,126 questions answered by Great Library staff, 6,497 (54%) were "complex", requiring consultation of several sources. Eighty-eight percent of these requests originated from the legal profession outside government, ten percent with Judges and Justice Department staff, and less than two percent with the public.

Computer Services responded to 288 requests from Judiciary and Justice Department staff for computerized legal research information.

As part of the Courts Division job rotation program, Marjorie Ferguson of the Great Library went to the Selkirk Court Office to gain knowledge of courts procedures, while David Whiteley from the Sheriff's Office worked in the Great Library and the Attorney-General's Library on bibliographies and textbook inventories.

ATTORNEY-GENERAL'S LIBRARY: Almost 3,000 client visits were made, mainly by Justice Department staff. Walter Karlicki handles all simple and complex requests for legal information.

GENERAL: Policies have been developed this year for copyright; purchasing; library security; rural library access and borrowing; and computer and legal reference services. Acquisitions and photocopying policies have been reviewed and changes made with the approval of the Legal Library Resources Users' Committee.

Ongoing assistance has been provided to the Aboriginal Justice Inquiry in the areas of legal research, collection development, and library staffing.

Through the Manitoba Government Libraries Council and other library networks, resource sharing of our unique legal collections has been enhanced.

c) Technical Services

Technical Services staff have developed a model for the automated "card" catalogue. Even though cardsets are still being produced for some new books, an "online" record has also been made of all 1988/89 acquisitions in preparation for the transition to one central computer catalogue. The collections of the Great Library (1988 to present), Attorney-General's Library and the two judicial libraries have been inventoried and are being added to this file. As well, a feasibility study was done to determine the requirement of an online database of unreported Manitoba decisions (to replace the existing card catalogue) in the Great Library.

Program directions for 1989/90

- development of a brochure on Legal Library Resources information services
- development of an acquisitions list of newly acquired texts for all offices and the public legal community
- inventory of all rural libraries and initiation of program office inventories
- establishment of the central online catalogue of holdings of subscriptions and texts (multi-year project)
- data entry of Manitoba unreported decisions into automated in-house file (to replace cumbersome manual card file and allow for generation and distribution of lists to libraries and program offices)
- enhancement of resource sharing through photocopy services, facsimile, printed and online holdings lists
- ongoing training of staff to provide efficient, effective and current legal information
- continued review and enhancement of service delivery, particularly to rural practitioners (e.g. interlibrary loan, inter-office loan, potential for facsimile transmission)
- enhancement of computer search services to provide province-wide ready access to our unique legal collections
- identification of and cooperative agreements with more legal libraries
- inventories of all holdings of all offices and libraries (not just items currently received)

The ultimate goal is to increase the efficiency and effectiveness of the provision of legal information to priority clientele throughout Manitoba.

Marilyn Hernandez

5. Special Committee to Review the 1987 Canadian Bar Association Code of Professional Conduct

In August, 1974, the Canadian Bar Association Council adopted the Code of Professional Conduct (the 1974 Code). The 1974 Code was adopted in

January, 1976 by the Benchers as being applicable in Manitoba. Any additional or modification provisions applicable in Manitoba were effected by enacting rules or issuing practice directions.

In 1984, the Canadian Bar Association appointed a committee to review the 1974 Code. That review committee did not attempt to entirely rewrite the 1974 Code, but rather updated it to reflect more recent realities. The revised Code (the 1987 Code) was adopted by the Canadian Bar Association Council in August, 1987. The Special Committee was appointed to review the 1987 Code and to make a recommendation to the Benchers concerning its adoption in Manitoba.

The Special Committee set about its task of reviewing the 1987 Code by establishing as its first precept that where possible it would be desirable that the national Code be applicable in Manitoba, with such amendments only as required to reflect existing or desirable rules or practices in Manitoba. A memo was sent to all members of the profession with the Society's February, 1989 Communique requesting comments or suggestions, but none were received. Staff members of the Special Committee identified all existing rules which might be incorporated into the Code of Professional Conduct, and assembled and categorized all practice directions and rulings of the Society in regard to discipline matters. The committee decided that it would be most beneficial for the members to have all ethical directives included in one place (rather than in a Code of Professional Conduct on the one hand and rules on the other) and thus have incorporated all such things in the proposed Code.

It is anticipated that the Special Committee will conclude its task shortly, at which time it will present its recommended Manitoba Code of Professional Conduct (1989) to the Ethics and Professional Responsibility Committee for consideration. It is hoped that the new Code will then be formally adopted by resolution of the Benchers some time later in 1989.

In closing may I say as Chairperson of the Special Committee that what seemed at the outset to be a very onerous task was more easily accomplished because of the willing and diligent time-consuming work of the members of the Committee who are:

David Deutscher
David Langtry
Brock Lee, Q.C.
Don Macri
Dianna Scarth
Val Werier

Knox Foster, Q.C.
Chairperson

6. Special Committee on the Integration of the French Language

This past year a special committee was established to study and make recommendations concerning the integration of the French language in the practice of law. The committee was formed jointly by the Law Society and the Manitoba Bar Association.

The committee has met several times during the year and will continue to meet in the future as it works toward formulating its recommendation.

Dean T. Anderson, Q.C.
Chairperson

7. Legal Data Resources (Manitoba) Corporation

In the summer of 1987, the Society was approached with the idea of implementing a system for utilizing the resources of certain provincial government databases for the benefit of the legal profession. The Society set up the Manitoba Database Committee. The committee was to obtain information concerning government databases, means of access to them, deal with training and support, and determine how the service could be provided to the profession at the lowest possible cost. The committee investigated this idea thoroughly, including a survey of the profession to determine whether such a service was wanted by the practising bar. Ultimately, a report was prepared and discussed in detail at a special Benchers' meeting held on August 11, 1988. A number of resolutions were passed at that meeting, the salient points of which were as follows:

1. The Corporation established to provide the vehicle for this service was Legal Data Resources (Manitoba) Corporation (LDRC). It was to remain under the control of the Society and would be a non-profit organization.
2. The Society undertook to guarantee payment of an amount to cover the capital and initial operating expenses of LDRC.
3. LDRC would endeavor to make available to the profession certain government databases and would work towards enhancing this service to the profession.
4. LDRC was to operate on the principle that service through it be provided on a non-profit basis and that its objective be to provide service to rural and urban members of the profession on an equal basis.
5. The Society would undertake an educational program sufficient to inform the members of the Society of the service.

Appropriate by-laws were developed for LDRC. It was decided that the composition of the Board of Directors be eight directors to be appointed by the Society and two directors to be appointed by the Manitoba Bar Association. The Board has met pretty much on a semi-monthly basis, concentrating to this point primarily setting up the service, obtaining access to further databases, etc.

The initial directors of LDRC are:

George N. Bass, Q.C. (President)	Paterson Bass Dubois
Lawrie Cherniack	Cherniack Allen Cooper
C. James Chalmers	President, Manitoba Data Services
Ronald L. Coke (Secretary)	Taylor McCaffrey Chapman
Colin J. Gillespie	Taylor McCaffrey Chapman
Alexandra Morton, Q.C.	Registrar General, Winnipeg Land Titles Office
K. Douglas Munro	Pitblado & Hoskin
Wayne M. Onchulenko	Wolchock & Company
Myron Pawlowski	Acting Director, Manitoba Corporations Branch
Richard G.S. Shead (Vice-President)	Buchwald Asper Henteleff

The initial databases offered so far are Winnipeg Land Titles Office, Queen's Bench, Corporations Branch, Statutes of Manitoba, and Mines Branch. It is expected that the Personel Property Registry will be on line by approximately June, 1989.

LDRC continues to develop. The number of subscribers is ahead of schedule. Databases are being brought on line within a reasonable time frame. The establishment of this service to the profession has not been without its problems, but it is expected that these will be resolved and this service will continue to develop.

I would like to thank the directors of LDRC for the work and effort that they have done. Substantial hours have gone into the establishment of this service. I hesitate to single any members out but special commendations should be given to both Ron Coke and Colin Gillespie for the extraordinary effort they have put into this project.

George N. Bass, Q.C.
President

8. Report of the Auditor-Inspector

During 1988/89 a total of 172 audits were completed, 45 in rural Manitoba and 127 in Greater Winnipeg. This past year an effort was made to concentrate on firms which had not been inspected recently. We are now at the point of coverage of every firm within a two year cycle, the objective being that all offices will be audited at least once within an eighteen-month period.

Particular attention is being given to those funds invested on behalf of clients – "Special Trust" – and the practice direction sent to the profession has caused firms to look at their methods of recording these investments.

Creation of new one-person practices and break-ups of large firms have added to the number of firms to be audited. We are pleased that individuals planning new practices are contacting us for direction prior to commencing operations.

Form D, Accountants' Reports, are now qualified in more detail, outlining the most minor infractions of the rules. Those people authorized to complete the Form D are also communicating with us on reporting correctly.

We have a good relationship with the law firms as well as the accounting firms and our presence in the profession is extremely evident.

Gordon T. Jones and
John McFarlane
Auditor-Inspectors

9. Reimbursement Fund

The Reimbursement Fund was created pursuant to an amendment of The Law Society Act, passed on the 17th day of March 1943. Section 37(4) of the Act requires the Benchers to make a yearly report to the Attorney-General as to the Fund. The report made for the calendar year under review shows that an assessment of $75.00 was made for each member entitled to practise; that all members so assessed paid the assessment or the proper proportion thereof; that the total so paid was $117,481.00; and that during

the year interest on investments and bank interest in the amount of $30,228.64 was received.

The Benchers made an assessment of $100.00 for the practising year beginning the 1st of April, 1989.

As at March 31, 1989, the Fund stood as follows:

Investments at cost	$788,854.09
Cash in bank	3,147.54

For the year under review, the Benchers continued to insure the Fund. The principal provisions of the coverage were:

Term: 1 year commencing April 1, 1988

Coverage: A. $10 million any one loss
B. $10 million annual aggregate

Deductible: $750,000.00 annual aggregate

Premium: $89,576.00 ($62.53 per member)

During the fiscal year the Benchers authorized payments of $500.00 to one claimant who suffered loss through misappropriation by Lawrence C. Greenberg and $5,000.00 to one claimant through misappropriation by Warren Shaver Eadie.

Ryan Sasaki
Comptroller

10. Prizes and Scholarships

Margaret Hypatia Crawford Scholarship
(Highest Standing in Final Year)
Frelan Clayton Loewen

Second Prize	Carmele Nicole Duguay
Third Prize (shared)	Sharon E. Kravetsky Rhonda J. Spivak
Fourth Prize (shared)	Rhonda J. Spivak Sharon E. Kravetsky

11. University of Manitoba – Faculty of Law Enrolment

		1989-90
First Year	(including 6 half-time)	**93**
Second Year	(including 4 half-time)	**88**
Third Year		**79**

12. Annual Meeting

The last annual meeting of the members of the Society was held on June 29, 1988.

The next annual meeting will be held on June 28, 1989, at Winnipeg, Manitoba.

AUDITORS' REPORT

To the Members,
The Law Society of Manitoba.

We have examined the condensed balance sheet and the special purpose funds balance sheets of The Law Society of Manitoba at March 31, 1989 and the statements of operations and fund equities of the General Fund, Reimbursement Fund, Legal Education Fund, Endowment and Trust Fund, Professional Liability Claims Fund, Legal Studies Program Fund, Law Phone In and Lawyer Referral Fund, William Edward Driscoll Bursary Fund and Brian Pauls' Emergency Fund for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Society at March 31, 1989 and the results of its operations for the year then ended in accordance with the accounting policies as described in Note 1 applied, except for the change in the method of accounting for the reserve for claims of the Professional Liability Claims Fund as described in Note 1(b) to the financial statements, on a basis consistent with that of the preceding year.

Winnipeg, Manitoba
May 16, 1989.

Touche Ross & Co.
Chartered Accountants

THE LAW SOCIETY

(Incorporated under The

CONDENSED BALANCE

ASSETS

GENERAL FUND	1989	1988
Cash and term deposits	$1,408,560	$ 613,359
Accounts and interest receivable	21,411	12,631
Loan receivable from LDRC (Note 6)	51,335	—
Prepaid expenses	3,123	3,413
Funds held in trust	142,595	107,019
Investments, at cost (market value $637,895; 1988 — $599,512) (Note 2)	649,028	624,920
Pension accrual (Note 1)	29,254	—
Fixed assets, at cost (Note 1)	1,131,049	1,131,049
	3,436,355	2,492,391
SPECIAL PURPOSE FUNDS (Combined)		
Due from General Fund	1,507,100	605,919
Accounts and interest receivable	51,718	57,577
Prepaid expenses	112,850	355
Investments, at cost (market value $3,830,038; 1988 — $3,840,319) (Note 2)	3,912,962	4,004,408
	5,584,630	4,668,259
On behalf of the Benchers	$9,020,985	$7,160,650

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OF MANITOBA

Law Society Act of Manitoba)

STATEMENT I

SHEET AT MARCH 31, 1989

LIABILITIES AND FUND EQUITIES

	1989	1988
GENERAL FUND		
Accounts payable and accrued liabilities	$ 130,872	$ 125,610
Funds held in trust	142,595	107,019
Fees paid in advance	180,404	175,640
Mortgage payable (Note 3)	856,634	878,940
Due to Special Purpose Funds (Combined)	1,507,100	605,919
	2,817,605	1,893,128
Fund equity — Statement II	618,750	599,263
	3,436,355	2,492,391
SPECIAL PURPOSE FUNDS (Combined)		
Accounts payable	32,682	38,202
Assessments paid in advance	38,725	35,785
Professional liability claims assessments paid in advance	359,450	275,965
Reserve for outstanding professional liability claims and associated costs (Note 4)	2,100,000	—
	2,530,857	349,952
Fund equity		
Reimbursement Fund — Statement III	770,473	801,623
Legal Education Fund — Statement IV	—	5,368
Endowment and Trust Fund — Statement V		
Billinkoff Loan Fund	1,463	1,463
Crawford Scholarship and Prize Fund	5,510	5,548
Professional Liability Claims Fund — Statement VI (Note 4)	2,172,830	3,464,381
Legal Studies Program Fund — Statement VII	99,857	36,541
Law Phone-In and Lawyer Referral Fund — Statement VIII	—	—
William Edward Driscoll Bursary Fund — Statement IX	3,295	3,060
Brian Pauls' Emergency Fund — Statement X	345	323
	3,053,773	4,318,307
	5,584,630	4,668,259
	$9,020,985	$7,160,650

See accompanying notes to Financial Statements.

THE LAW SOCIETY OF MANITOBA

STATEMENT OF GENERAL FUND OPERATIONS AND EQUITY

For the Year Ended March 31, 1989

REVENUES	1989	1988
Annual fee — practising	$877,334	$801,718
— non-practising	21,268	22,550
Rental	130,994	130,830
Call and attorney fees	22,250	24,000
Administration fees	28,390	24,280
Grant from Professional Liability Claims Fund	75,000	75,000
Net Investment Income	52,788	62,428
Miscellaneous	39,379	25,270
Costs recovered — Discipline Committee	6,587	4,300
	1,253,990	1,170,376
EXPENSES		
Benchers' meeting expenses	41,339	40,959
Discipline Committee expenses	54,411	27,831
Foreign exchange loss on investments	3,741	9,417
Grant to Law Phone-In and Lawyer Referral Fund	20,721	20,660
Grant to Legal Studies Program Fund	54,171	—
Grant to Manitoba Law School Foundation	25,000	—
Library Grant	140,000	140,000
Mortgage interest	117,006	101,076
Other grants and prizes	20,464	25,983
Office equipment and maintenance	26,436	16,035
Other office and sundry expenses	114,225	82,860
Printing, stationery and postage	77,458	71,483
Professional fees	15,413	9,813
Property taxes	38,409	45,961
Public relations	2,716	—
Salaries and benefits	426,401	455,662
Travel	40,279	33,570
Utilities	16,313	15,250
	1,234,503	1,096,560
Excess of revenues over expenses	19,487	73,816
Fund equity, beginning of year	599,263	525,447
Fund equity, end of year	$618,750	$599,263

See accompanying notes to financial statements.

STATEMENT III

THE LAW SOCIETY OF MANITOBA
STATEMENT OF REIMBURSEMENT FUND OPERATIONS AND EQUITY
For the Year Ended March 31, 1989

REVENUES	1989	1988
Annual assessments	$117,481	$114,606
Net Investment income	53,576	40,393
Recoveries	—	9
	171,057	155,008
EXPENSES		
Claims	8,524	60,557
Foreign exchange loss on investments	5,238	13,183
Insurance	89,576	81,598
Salaries	98,869	73,636
	202,207	228,974
Excess of expenses over revenues	(31,150)	(73,966)
Fund equity, beginning of year	801,623	875,589
Fund equity, end of year	$770,473	$801,623

STATEMENT IV

STATEMENT OF LEGAL EDUCATION FUND OPERATIONS AND EQUITY
For the Year Ended March 31, 1989

	1989	1988
Interest income	$ —	$ 256
Fund equity, beginning of year	5,368	5,112
Capital withdrawals during the year	(5,368)	—
Fund equity, end of year	$ —	$ 5,368

See accompanying notes to financial statements.

THE LAW SOCIETY OF MANITOBA
STATEMENT OF ENDOWMENT AND TRUST FUND OPERATIONS AND EQUITY
For the Year Ended March 31, 1989

	1989	1988
BILLINKOFF LOAN FUND		
Interest income	$ —	$ 69
Fund equity, beginning of year	1,463	1,394
Fund equity, end of year	$1,463	$1,463
CRAWFORD SCHOLARSHIP AND PRIZE FUND		
Investment income	$ 562	$ 489
Less Scholarship paid	600	526
Excess of expense over revenue	(38)	(37)
Fund equity, beginning of year	5,548	5,585
Fund equity, end of year	$5,510	$5,548

See accompanying notes to financial statements.

THE LAW SOCIETY OF MANITOBA
STATEMENT OF PROFESSIONAL LIABILITY CLAIMS FUND OPERATIONS AND EQUITY
For the Year Ended March 31, 1989

REVENUES	1989	1988
Insurance premiums paid by members	$1,425,750	$1,180,013
Net investment income	299,199	267,930
	1,724,949	1,447,943
EXPENSES		
Adjusters fees	133,130	108,509
Claims paid	26,698	344,419
Counsel fees	222,865	243,049
Foreign exchange loss on investments	20,950	52,733
Grant to General Fund	75,000	75,000
Other	102,247	72,734
Premiums	335,610	40,470
Reserve for outstanding claims and associated costs (Note 1(b) and 4)	2,100,000	—
	3,016,500	936,914
Excess of revenue over expenses (expenses over revenues)	(1,291,551)	511,029
Fund equity, beginning of year	3,464,381	2,953,352
Fund equity, end of year (Note 4)	$2,172,830	$3,464,381

See accompanying notes to financial statements.

THE LAW SOCIETY OF MANITOBA

STATEMENT OF LEGAL STUDIES PROGRAM FUND OPERATIONS AND EQUITY
For the Year Ended March 31, 1989

REVENUES	1989	1988
Grant from Manitoba Law Foundation	$423,664	$401,527
Bar admission course fees	43,500	32,940
Legal studies lectures	143,020	39,473
Grant from the General Fund	54,171	—
Miscellaneous	23,052	22,543
Interest	6,037	—
	693,444	496,483
EXPENSES		
Call ceremony	6,310	6,427
Furniture and fixtures	44,377	2,804
Grants	12,000	23,625
Honoraria to lecturers	57,900	52,343
Miscellaneous	5,965	717
Office supplies and stationery	24,078	15,817
Photocopying and printing	89,776	53,182
Rent	102,764	100,737
Salaries	212,551	175,075
Seminars	43,590	15,956
Travel and professional development	8,870	17,934
Travel and lodging — students	21,947	25,330
	630,128	489,947
Excess of revenues over expenses	63,316	6,536
Fund equity, beginning of year	36,541	30,005
Fund equity end of year	$ 99,857	$ 36,541

See accompanying notes to the financial statements.

STATEMENT VIII

THE LAW SOCIETY OF MANITOBA

STATEMENT OF LAW PHONE IN AND LAWYER REFERRAL FUND OPERATIONS AND EQUITY
For the Year Ended March 31, 1989

REVENUES	1989	1988
Grant from Manitoba Law Foundation	$40,000	$40,000
Grant from General Fund	20,721	20,660
	60,721	60,660
EXPENSES		
Grant to C.L.E.A.	25,274	29,744
Salaries and benefits	35,447	23,127
Sundry	—	2,466
Telephone	—	5,323
	60,721	60,660
Net income and fund equity, end of year	$ —	$ —

STATEMENT IX

THE LAW SOCIETY OF MANITOBA

STATEMENT OF WILLIAM EDWARD DRISCOLL BURSARY FUND OPERATIONS AND EQUITY
For the Year Ended March 31, 1989

	1989	1988
Investment income	$ 235	$ 190
Bursary	—	(650)
	235	(460)
Fund equity, beginning of year	3,060	3,520
Fund equity, end of year	$3,295	$3,060

STATEMENT X

STATEMENT OF BRIAN PAULS' EMERGENCY FUND OPERATIONS AND EQUITY
For the Year Ended March 31, 1989

	1989	1988
Capital Contributions	$ 22	$ 323
Fund equity, beginning of year	323	—
Fund equity, end of year	$ 345	$ 323

See accompanying notes to financial statements.

SPECIAL PURPOSE FUNDS BALANCE

ASSETS

	1989	1988
REIMBURSEMENT FUND		
Due from General Fund	$ 3,148	$ 69,051
Accrued interest receivable	9,172	3,650
Investments, at cost (market value $773,269; 1988 — $716,759) (Note 2)	788,854	750,222
	801,174	822,923
LEGAL EDUCATION FUND		
Due from General Fund	—	5,368
ENDOWMENT AND TRUST FUND		
Due from General Fund	84	122
Accounts and accrued interest receivable	1,889	1,889
Investment in term deposits, at cost	5,000	5,000
	6,973	7,011
PROFESSIONAL LIABILITY CLAIMS FUND		
Due from General Fund	1,372,211	465,670
Accrued interest receivable	40,288	44,334
Investments, at cost (market value $3,056,769; 1988 — $3,118,560) (Note 2)	3,119,109	3,249,186
Prepaid expenses	112,000	—
	4,643,608	3,759,190
LEGAL STUDIES PROGRAM FUND		
Due from General Fund	128,317	62,634
Accounts receivable	70	7,395
Prepaid expenses	850	355
	129,237	70,384
LAW PHONE-IN AND LAWYER REFERRAL FUND		
Grant receivable	—	—
	—	—
WILLIAM EDWARD DRISCOLL BURSARY FUND		
Due from General Fund	3,295	3,051
Accrued interest receivable	—	9
	3,295	3,060
BRIAN PAULS' EMERGENCY FUND		
Loan receivable	300	300
Due from General Fund	45	23
	$ 345	$ 323

SHEETS AT MARCH 31, 1989

LIABILITIES AND FUND EQUITIES

	1989	1988
REIMBURSEMENT FUND		
Assessments paid in advance	$ 30,701	$ 21,300
Fund equity — Statement III	770,473	801,623
	801,174	822,923
LEGAL EDUCATION FUND		
Fund equity — Statement IV	—	5,368
ENDOWMENT AND TRUST FUND		
Fund equity — Statement V		
Billinkoff Loan Fund	1,463	1,463
Crawford Scholarship and Prize Fund	5,510	5,548
	6,973	7,011
PROFESSIONAL LIABILITY CLAIMS FUND		
Professional liability insurance premiums paid in advance	359,450	275,965
Accounts payable	11,328	18,844
Reserve for outstanding claims and associated costs (Note 4)	2,100,000	—
Fund equity — Statement VI (Note 4)	2,172,830	3,464,381
	4,643,608	3,759,190
LEGAL STUDIES PROGRAM FUND		
Accounts payable	21,355	19,358
Course fees paid in advance	8,025	14,485
Fund equity — Statement VII	99,857	36,541
	129,237	70,384
LAW PHONE-IN AND LAWYER REFERRAL FUND		
Fund equity — Statement VIII	—	—
	—	—
WILLIAM EDWARD DRISCOLL BURSARY FUND		
Fund equity — Statement IX	3,295	3,060
	3,295	3,060
BRIAN PAULS' EMERGENCY FUND		
Fund equity — Statement X	345	323
	$ 345	$ 323

See accompanying notes to Financial Statements.

THE LAW SOCIETY OF MANITOBA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1989

1. Basis of accounting

a. Nature of organization

The Law Society of Manitoba is a not-for-profit organization incorporated by a special act of the Manitoba legislature. The Society follows the accrual method of accounting and has established separate special purpose funds for the administration of specific programs.

b. Change in accounting policy

The society has adopted a revised basis of accounting from that of recording claims of the Professional Liability Claims Fund on a cash basis to accruing the reserve for outstanding claims and associated costs at March 31, 1989. This change has been accounted for on a prospective basis and has resulted in a decrease in the excess of revenues over expenses of the Professional Liability Claims Fund in the amount of $2,100,000.

c. Fixed assets

Fixed assets are composed as follows:

	1989	1988
Land	$ 257,501	$ 257,501
Building	873,547	873,547
Office equipment	1	1
	$1,131,049	$1,131,049

Land and the building are valued at cost while office equipment is valued at a nominal amount. Office equipment purchases are expensed in the year of acquisition. Depreciation expense has not been recorded in the financial statements.

d. Foreign currency translation

All investments maintained in United States currency have been translated into Canadian dollars at the exchange rate in effect at March 31, 1989.

e. Pensions

The cost of pension benefits earned by employees covered under the Society's defined benefit pension plan is charged to expense as services are rendered. Differences between the recorded expense and actuarial funding requirements are reflected in the General Fund balance sheet as a pension accrual (See Note 7).

2. Investments

Investments consist of certain guaranteed investments, stocks and bonds and are recorded on the cost basis. Management of the Society is of the opinion that the decline in market value of the investments is temporary in nature and accordingly, no write-down to market value has been provided in these financial statements.

As in the previous year, the Society has continued to invest in certain equity and debt securities. Certain of these investments and related

earnings have been aggregated in one pool and are allocated amongst the funds as follows:

General Fund	12.5%
Reimbursement Fund	17.5
Professional Liability Claims Fund	70.0
	100.0%

3. Mortgage Payable

The mortgage on the land and building due to The Great-West Life Assurance Company is secured by the property and assignment of rents. Interest is charged at 12.75% per annum compounded semi-annually. Monthly principal and interest mortgage payments of $10,856 commenced February 1, 1986 and continue for 10 years. The unpaid balance is due and payable January 1, 1996.

4. Professional Liability Claims Fund contingent liability

The Professional Liability Claims Fund operates to make available a source of funds for the payment of current and future claims, relating to errors and omissions, against the Society's members. The estimated amount likely to be payable by the Society with respect to claims in process at March 31, 1989 amounts to approximately $2,100,000 and has been reflected in the financial statements at March 31, 1989. The entire fund equity of $2,172,830 remaining is available to pay for future claims relating to errors and omissions.

As of July 1, 1988, the Society entered into a Reciprocal Insurance Exchange agreement with the Law Societies of Saskatchewan, Alberta, Nova Scotia, Prince Edward Island, New Brunswick and the Yukon. This new insurance entity known as the Canadian Lawyers Insurance Association is providing professional liability insurance coverage together with the Society's own fund on the following terms:

Limit of Member Entitlement:	$250,000 per occurrence
The Law Society of Manitoba's deductible:	$100,000 per occurrence (of which the first $5,000 of the claim is reimbursable from the member)

Any coverage beyond the $250,000 is the responsibility of the individual member.

Effective April 1, 1989, the limit of the Member Entitlement has increased to $1,000,000 with The Law Society of Manitoba's deductible amount increasing to $300,000.

From April 1, 1986 to June 30, 1988, the Society operated its Professional Liability Claims Fund without the benefit of any insurance coverage from external sources. The Society provided coverage up to a maximum of $250,000 with each member responsible for the first $5,000.

Prior to April 1, 1986, external insurance coverage was maintained which provided a $25,000 deductible clause for each claim paid with the first $5,000 being recoverable from the member.

5. Reimbursement Fund contingent liability

Claims against members of the Society arising from breach of trust and misappropriation of clients' funds are considered by the Benchers and at the discretion of the governing body certain amounts may be paid to the

claimants. Any claim payments which may occur will be accounted for in the year paid.

6. Legal Data Resources (Manitoba) Corporation

Legal Data Resources (Manitoba) Corporation (LDRC) was established under the auspices of the Law Society to serve the members of the legal profession by facilitating access to data bases maintained by various provincial government offices.

During the year, the Society agreed to loan LDRC up to $60,000 to cover start-up costs of which $51,335 has been loaned as at March 31, 1989.

7. Pension plan

The Law Society of Manitoba maintains a contributory defined benefit pension plan covering substantially all of its employees. The plan provides pension benefits based on length of service and final average earnings.

Effective April 1, 1988 the Society adopted, on a prospective basis, the recommendations of the Canadian Institute of Chartered Accountants with respect to the method of accounting for pension costs and obligations. The change in accounting policy did not have a material effect on net earnings for the year ended March 31, 1989.

Actuarial reports prepared during the year, which were based on projections of employees' compensation levels to the time of retirement, indicate that the present value of the accrued pension benefits and the net assets available to provide for these benefits are as follows at March 31, 1989:

Accrued pension benefits	$440,261
Pension fund assets, at market value	$647,948

8. Comparative figures

Certain of the prior year's figures have been reclassified to conform with the current year's financial statement presentation.